

**2007 Innovations Awards Program  
APPLICATION**

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ID # (assigned by CSG): 07-S-47OKCHILDSUPPORTAUTOMATION

**Please provide the following information, adding space as necessary:**

State: OKLAHOMA

Assign Program Category (applicant): Children & Families (Use list at end of application)

1. Program Name: Child Support Enforcement's Workers' Compensation Automation Process
2. Administering Agency: Oklahoma Department of Human Services (OKDHS)  
Child Support Enforcement (CSE)
3. Contact Person: Marc A. Bonge, MSW, Administrative Programs Officer
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8. Web site Address <http://www.okdhs.org/csed/programs/>
9. Please provide a two-sentence description of the program.

ANSWER: By networking with Oklahoma's Workers' Compensation (WC) Court, and CompSource, an in-state independent WC insurance agency, and being a member of the Child Support Lien Network (CSLN), CSE has implemented a new, fully automated process that matches information on those who owe child support with files maintained by the insurance industry. Oklahoma OKDHS/CSE has been able to increase child support collections in 2006 from these matches by more than 64%.

10. How long has this program been operational (month and year)?

ANSWER: The program has operational since January 2006.

Note: the program must be between 9 months and 5 years old on April 2, 2007, to be considered.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

ANSWER: CSE is always looking for new and innovative methods to enforce child support orders for our state's families so that our children get the support payments they deserve. However, getting timely access to WC Court and insurance industry data has always presented a challenge for CSE when it came to collecting settlements. By the time CSE learned of an injury and/or settlement, the claimants (who were also delinquent obligor parents), had already received and spent the settlements. Opportunities to collect on these child support arrears from personal injury awards were being missed by the collection process. Liens were not being effectively issued to intercept the awards.

Before CSE automated their WC process, child support liens were sporadically issued based upon word of mouth information about an accident being passed to the CSE office. Hundreds of WC claims went unknown by CSE or were missed because there was no automated mechanism in place to intercept such settlements for past due child support. There was also no automated process in place to intercept personal injury claims. Consequently, there were no specific written instructions available for state child support workers to show them how to file liens on WC awards to effect collections from parents who owed large sums of child support. Thus, the Child Support Lien Network (CSLN) process was designed to match our cases, and those of our sister states, against insurance claimants on a daily basis. Every day, our CSE office is alerted to new filings of claims that have been matched to our obligors, allowing us to issue our liens against the potential awards months before the claim is settled. By performing this process for multiple states, insurers are far more agreeable to the single database process.

12. Describe the specific activities and operations of the program in chronological order.

ANSWER: CSE Center for Coordinated Programs automated the WC intercept process. Data exchanges are now conducted between two state government entities and a vendor. Now liens are automatically printed statewide. As a result of the implementation of this new program, the 2006 WC collections increased to more than \$3.1 million compared to \$1 million or less in most of the previous years. However, FY 2004 and 2005 WC collections were \$1.86 and \$1.89 million respectively. (See attachments).

This accomplishment has an interesting chronology:

- a. First, CSE representatives met, coordinated, and corresponded with Oklahoma officials at Compsource (a workers' compensation insurance agency), WC Court, and the State Insurance Commission.
- b. Next, CSE entered into a contract with the Child Support Lien Network (CSLN), hosted and operated by the State of Rhode Island, to intercept additional WC and personal injury funds.
- c. Next, a WC Process Improvement Team (PIT) was formed. Experts from child support, Data Services, and the University of Oklahoma Center for Professional Management pooled their efforts to improve collections from insurance settlements. Attorneys reviewed and approved associated written documents and created a Business Case Summary. The team collected and reviewed data, and determined that automating the lien process and writing a WC manual for use by staff would greatly enhance the collection process. Upon receiving an insurance claim matching to a child support case in arrears, our team desired an automated process. Our team utilized computer technicians and child support field staff in coordinating and creating a newly designed

Lien document that is automatically created by our computer system and printed at local child support offices statewide for immediate issuance to the insurer.

- d. Subsequent experience showed terrific results. Collections in 2006 from insurance claim intercepts showed a significant increase over previous fiscal years by this new process and provides for even greater potential for the future.

13. Why is the program a new and creative approach or method?

ANSWER: All states are mandated to provide child support services for families that have dependent children. However, some states are more successful than others. Primarily this is dependent on how much money and how many resources were made available. In an age of shrinking budgets and limited resources, states are finding that it makes economic sense to join a consortium to enhance program effectiveness. To collect child support, Oklahoma is tapping into a multi-state approach for insurance claim intercept. We are closing the gaps in unpaid child support through insurance intercept, both independently and collectively, going after several data sources. In addition to our state, twenty-one additional states use the services of CSLN. However, Oklahoma still aggressively pursues additional existing state insurance entities to further increase our chances for making new collections. Consortiums have been around for a few years but the in-state multi-database approach, in combination with joining CSLN with multiple states, makes Oklahoma's program unique.

Getting our computers to perform most of the matching, weeding out the mismatches, and automatically issuing automated Lien notices to insurers saves our workers thousands of hours per year and allows them to be more productive for more families in their caseloads. These new WC processes have truly become some of the most unique and creative approaches leading to improved child support services our program has implemented since its inception in 1975.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

ANSWER: At no expense to CSE, meetings were held with the in-state government entities. At no expense to CSE, Memos of Understanding were signed and other agreements made. Existing staff was used with no additional expense. The total dollars for programming and testing for all work related to WC and CSLN network projects was: \$341,158.42. There were savings to our program by joining CSLN. CSLN does all the matching work and then provides a quality review process on all matches made on Oklahoma cases. The match rate we pay for each claim referred is \$52. The average collection on a WC case is \$2,100, resulting in a return on investment of 40 to 1.

15. What are the program's annual operational costs?

ANSWER:

In FY2006, our expenditures for CSLN costs were \$64,117.00. Our CSLN annual operating expenditures are projected to be \$ 70,000.00 for FY 2007.

16. How is the program funded?

ANSWER: Federal child support funding provides CSE with 66% matching funds for expenditures made by the Oklahoma CSE. A corresponding state financial match of 34% in funds is required. In addition, some WC and Personal Injury collections result in a further share of collections that can be retained by the state's Temporary Assistance to Needy Families (TANF) program. If the family is currently receiving welfare benefits, child support arrears are assigned to the state while they receive public assistance payments, and a collection from an insurance claim occurs. Such collections could be used to provide a new state financial match requirement of 34% which would generate new federal matching funds at the 66% corresponding level to pay for additional child support expenditures of the program.

17. Did this program require the passage of legislation, executive order or regulations?  
If YES, please indicate the citation number

ANSWER: No. The success of CSLN has been primarily due to the forming of a public/private partnership with insurers which successfully operates with the voluntarily cooperation of insurers and the child support community. Insurers are very worried about states passing individual legislation requiring insurance claim intercepts because they fear the processes will be different in each state in which they operate, and will become a terrible burden to their operations, and cost-effectiveness.

18. What equipment, technology and software are used to operate and administer this program?

ANSWER: Our state CSE program participates in these new insurance intercept processes utilizing our existing statewide CSE computer system, the state's mainframe computer system, including all software and hardware in existence to support our child support program. No new hardware was required. As previously stated, Oklahoma CSE wrote new programming to accomplish our in-state WC Court claims processing, and modifications to existing programs were made in order to be able to refer delinquent obligor cases to the CSLN database. The costs associated with these changes were minimal, and have been indicated in our expenditures figures. CSLN provides services to CSLN member states utilizing the software and hardware belonging to the contractor that provides all CSLN services to Rhode Island. No other expenditures for hardware or software are anticipated.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

ANSWER: As indicated in an earlier answer about the chronology of events taken to create these unique processes and services (Q/A 12) the new initiative for in-state WC Court interfaces originated in Oklahoma. A WC PIT was formed. More than twenty experts from child support, Data Services, and the University of Oklahoma Center for Professional Management pooled their efforts to improve collections from insurance settlements. The innovators' names, and their contact information, are as follows:

Marc Bonge,	<a href="mailto:marc.bonge@okdhs.org">marc.bonge@okdhs.org</a>	405-522-2674
Andrea Giezentanner	<a href="mailto:andrea.giezentanner@okdhs.org">andrea.giezentanner@okdhs.org</a>	405-470-6130
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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

ANSWER: Oklahoma's mutual cooperative WC in-state multi-data sourcing is unique in America. However, as indicated, as a member of the CSLN network, we are one of 26 states that are currently processing delinquent case matching to insurance claims on a daily basis with the insurance industry. Currently, the other states who participate in CSLN are: Arkansas, California, Connecticut, Florida, Georgia, Illinois, Iowa, Maine, Missouri, New Hampshire, New Jersey, New Mexico, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia. Alabama, Arizona, Delaware, and North Dakota are in the implementation part of the process currently.

All state child support programs make attempts to collect past due child support from WC claims. However, for the sake of fairness, we are not aware of the uniqueness and extent of each state's WC processes and systems. We are not aware of what the other states do specifically as it pertains to in-state WC claim matching and enforcement efforts.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

ANSWER: Yes. Both our in-state WC insurance claim intercept process and the CSLN multi-state insurance intercept process are in place and operating.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

ANSWER: Being fairly new, our program has not produced any negative experiences to date. However, through a series of reports, CSE constantly monitors the processes, participation, and results so that we may continue to make improvements as needed. The best information we have to date that reflects the effectiveness of the program is the following:

- Collections from insurance claims increased more than 64% in 2006 (from \$1.89 million in FY2005 to more than \$3.1 million in FY 2006).
- New information that assists the child support program in locating the delinquent parent is also being received from the claim data – information such as new place of employments, better personal identifying information, cell phone numbers, and other data that will enable us to find these parents and take whatever legal or other enforcement actions are needed against them to collect on the balance of their debts.
- The movement of families from the TANF assistance program to non-TANF as a result of lump sum collections made through lien insurance settlements.

Especially with regard to personal injury claims, CSLN outreach to insurers is less than anticipated. We would have liked greater outreach and the ensuing participation of more independent and corporate insurance companies in Oklahoma and the nation. The in-state WC interfaces have gone very well. However, we are experiencing technical difficulties receiving all matches provided by CSLN. This is a work in progress.

23. How has the program grown and/or changed since its inception?

ANSWER: In 2006, we have been somewhat surprised but pleased at the upsurge in monthly collections. We are monitoring the process and seeing the designed plan being realized. However, we are consistently training CSE office workers how to process and issue their liens.

CSLN prides itself in issuing to states valid insurance claims. However, sometimes CSE was previously aware of a claim. (We call this a duplicate.)

Thus, we are in the process of developing an organized plan to review and cancel duplicate CSLN matches.

More insurance matches are now being received from CSLN as more insurers sign up to provide access to their claims information for the CSLN member states. In addition, CSLN has lowered its costs for matches as more and more states have joined the consortium. The CSLN software has been updated and now provides states with additional screens and report information that is accessible by the state through its CSLN secure intranet system.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

ANSWER:

- a. Child support programs always face funding obstacles that prevent them from doing new things. A favorable federal financial participation match rate of 66% does not guarantee that states acquire the required state matching funds of 34%, even when such expenditures have a corresponding favorable return on investment.
- b. States also need to educate their streamlined flexible child support intercept concepts to State Insurance Commissioners and insurer associations.
- c. States should strive for a cooperative public/private partnership in the process.
- d. Personal injury accident claims often will be a one-time lump sum collection.